



Noteworthy experiences in digitalisation by employers' and business membership organisations (EBMOs) in Latin America

Technical Note: Honduras

Digital Hub for SMEs

This Technical Note forms part of a collection of noteworthy experiences in digitalisation by employers' and business membership organisations (EBMOs) in Latin America, identified during research carried out by the ILO's Bureau for Employers' Activities (ACT/EMP) for the production of the 2022 Regional Report "Where do Business Organisations Stand on the Road to Digitalisation? A look at Latin America". The aim of these noteworthy experiences is to inspire other EBMOs in their transition towards digitalisation. We would like to thank the ILO's South-South and Triangular Cooperation (SSTC) programme for its support in drafting this document, which will serve as a basis for an exchange of knowledge among EBMOs around the world.

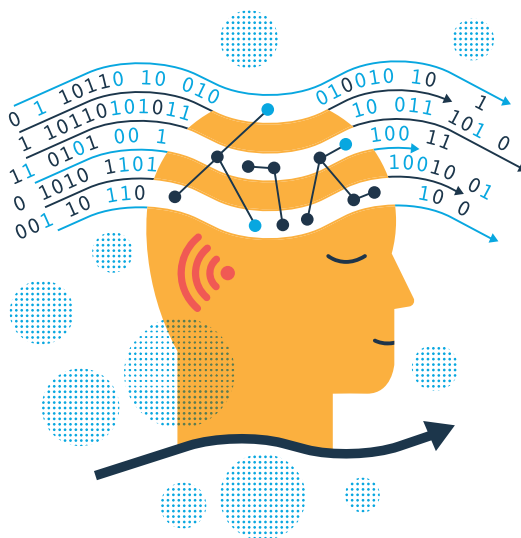
► What is South-South and Triangular Cooperation?

South-South and Triangular Cooperation (SSTC) can be defined as collaboration between two or more developing countries, which frequently have the support of traditional partners, guided by the principles of solidarity and unconditionality, the aim of which is to put into practice inclusive and distributive development models governed by demand. SSTC complements North-South cooperation with joint action to encourage development opportunities. As can be seen from the Sustainable Development Programme 2030, SSTC has become an

important means of international cooperation for development and an essential item in the United Nations toolbox.

► Summary

The Federation of Chambers of Commerce and Industries of Honduras-FEDECAMARA is currently developing a digital hub for SMEs. This centre will provide digital solutions to facilitate or improve the daily tasks of these companies, thus enabling their transformation and updating. It is hoped to launch the pilot version of the Hub in the second quarter of 2023, with 200 companies.



► **What services does it offer?**

The HUB concentrates on the following areas:

- a) Identification and diffusion of innovative modules and tools.
- b) Support for new digital transition businesses.
- c) Access to finance.
- d) Creation of an Open Innovation Hub.

The Hub will consist of cloud-based digital modules which participants can use free of charge for one year to digitalise their businesses. FEDECAMARA has still to decide on the best mechanism for making the hub self-sustaining at low cost, and is considering charging companies a maintenance fee to cover the operating costs in the second year after they join. The Hub will start with 6 modules:

1. Records, to register the various chambers and their member companies, and for businesses to register their clients and suppliers.
2. Accounting and inventory.
3. Invoicing, electronics, and compliance with tax requirements.
4. Formalisation, with the basic procedures to help entrepreneurs with the process of formal incorporation.
5. Payroll management, for controlling personnel and calculating such elements as social security, overtime, holidays, and others, and
6. Business analytics, to generate data and reports for FEDECAMARA and its participating member chambers and businesses, on the modules used. The Hub expects to have 15 modules available on the platform when it is fully operational.

- Module c) - access to finance, seeks to help companies to obtain finance from financial institutions. It therefore includes a training component, a focus on formalisation and training for advisors who will provide effective support for participants.
- Module 4) seeks to turbo-charge companies with digital ideas through an external ally, using a digital entrepreneurship program (Tech4Dev) that is already familiar in the country.

► **How to join?**

When the Hub is operational, companies can express their interest to their local chamber. Honduras' FEDECAMARA, as a business federation, follows a model that prioritises applying the project to its network of chambers, who in turn will apply it to their member companies. When choosing participating companies, the project focuses on I) companies with a certain level of digitalisation, II) companies who need to close the digital gap, and III) digital start-ups. At the moment, FEDECAMARA is receiving help from USAID to develop a baseline diagnostic tool and deciding where interested companies stand on it.

There will be a socialisation and recruitment component to be used by the chambers. August 2022 saw the start of a campaign to encourage companies to take part in a technical assistance process known as "Cultivación de Negocios Conscientes" (cultivating business awareness) aimed at improving their operations, financing, and social and environmental impact. It is hoped that 60% of these companies will start their transformation on Hub 504 and 40% will enter a pre-digitalisation process created by FEDECAMARA with a view to closing the digital knowledge gap.



► Why this project?

The project arose from a need identified before the pandemic due to the disruption caused by natural phenomena in the region. The need was "to accelerate the digital transformation of SMEs". Furthermore, in 2020 a diagnosis of the condition of the chambers was carried out with the aid of the National Investment Council, which revealed a digital deficit among SMEs.

► How was it developed?

The project is still in the development stage and a pilot version is expected to launch in the second quarter of 2023, with 6 of the planned 15 digital modules. The principal obstacle was not finding suppliers of these solutions (software suppliers are many), but is expected to be finding solutions that will be used by the SMEs. In other words, what is sought is a change in attitude and a reduction in the digital skills shortfall. The Hub has a number of allies, including USAID providing technical and

training support, the UNDP training digital services advisors, SENPRENDE - a government body that has supported the development of the project, and BID-LAB and the European Union, which have given financial support.

► What impact has it had?

It is expected that the Hub will accelerate the digital transformation and reduce the digital skills gap among SMEs confirmed by the socialisation strategy. One achievement made tangible with the help of Consejo Nacional de Inversiones (national investment council - CNI) and Servicio Nacional de Emprendimiento y de Pequeños Negocios (national entrepreneurship and small business service - SENPRENDE), has been to equip member chambers with computers, tablets, cameras, and printers. It is expected that this equipment, together with training provided by the Hub, will enable the member chambers to help companies in the use of new digital tools.